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DAN F. ARNETT
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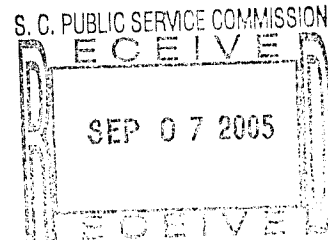
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September 1, 2005

VIA U.S. MAIL

Charles L. A. Terreni, Esquire
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

9/13/05
too



RECEIVED

SEP 12 2005

PSC SC
DOCKETING DEPT.

2005-270-G

Dear Mr. Terreni:

On February 28, 2005, the Pipeline Safety Department of the Office of Regulatory Staff became aware of a non-reportable incident that had occurred on January 29, 2005, at a residence located at 1140 Ridgecrest Avenue, North Augusta, S.C. After an extensive investigation among all parties involved of the facts surrounding the incident, we determined that there may be a potential hazard arising from the use of certain meter set configurations, such as the one used at this residence.

Specifically, our investigation suggests that the service regulator vent iced over at the time the residence's appliances were calling for gas. When the appliances no longer called for gas and the demand decreased, the regulator was unable to vent and, therefore, placed undue pressure on the piping system of the home. Consequently, a fire occurred which caused approximately \$3,000 in damage to the home.

On June 21, 2005, we sent a letter to all operators in the state to survey 1) how many of these meter sets are in service, 2) how many are affected by water spillage or rainwater runoff onto the meter set, and 3) how many over-pressure problems related to freezing temperatures have occurred on this type of meter set. We learned that approximately 108,000 of these meter sets are in service, with approximately 23,700 being affected by water spillage or rainwater runoff. Other than the aforementioned incident, the survey indicates no other reports of over-pressure problems occurring downstream of these meter sets due to freezing temperatures. These meter sets have been in use in South Carolina approximately 40 years. We are aware that South Carolina Electric and Gas is voluntarily installing, at least in some of these meter sets, a device known as a splash guard which is inserted in the vents of service regulators located directly above the meters. This device is designed to help prevent freeze-up of the vent when moisture is

present and temperatures fall below freezing. Also, we are informed that Atlanta Gas Light, as a company policy, is installing splash guards on this type of meter set.

On August 23, 2005, we requested information from each of the eleven pipeline safety programs in the southern region operating under jurisdiction of the Pipeline and Hazardous Materials Safety Administration. No state in the southern region has introduced state regulations relating to or as a result of over-pressure problems with this particular meter set configuration and freezing temperatures.

We have prepared an official advisory for all gas system operators explaining the potential hazard related to the meter set configuration that was the subject of our investigation. We further advise that where these meter sets are in service and affected by water spillage or rainwater runoff, there could be a possibility of over-pressure downstream of the meter if the regulator vent iced over during sub-freezing temperatures. We are recommending that operators identify any of these herein described meter sets in service on their systems and be prepared to take appropriate action where deemed necessary. Actions may include, but are not limited to, reconfiguring these sets, relocating these meters and service regulators, and/or installing splash guards in the vents of certain service regulators.

Because the Public Service Commission is the rulemaking state agency for pipeline safety, we are furnishing this information so the Commission can determine whether a regulation should be promulgated requiring relocation of certain meter sets or installation of splash guards on these meter sets.

Please see the attached information supporting the findings of our investigation and the advisory notice.

Sincerely,

Shannon Bowyer Hudson

Enclosures

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EXECUTIVE DIRECTOR

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DAN F. ARNETT
CHIEF OF STAFF

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

VERNON L. GAINNEY, CPM
SUPERVISOR
PIPELINE SAFETY

September 1, 2005

To: All Gas System Operators in South Carolina.

Re: Certain customer meter set configurations where the service regulator is situated directly above and in close proximity to the meter casing.

Dear Operator,

Please find enclosed an official advisory as notification that the Office of Regulatory Staff has determined that a potential safety hazard may exist on certain meter set configurations where the regulator vent is positioned directly above the meter and these are subject to moisture build-up. If temperatures fall below freezing and the vent on this regulator freezes over, then the regulator could become inoperable causing undue pressure on the home piping system.

According to our investigation, approximately 108,000 services in South Carolina are configured as mentioned above. Approximately 23,700 of these are subject to moisture build-up, such as rainwater run-off. Although only one incident of over-pressure relating to these meter sets has been reported by South Carolina operators, we feel it necessary to issue this advisory so that the possibility of this potential hazard will be known.

Also, please find attached a copy of the Pipeline Safety Staff contact list. Please take a moment to check the information contained in your emergency plans and other files to insure you have the most recent information.

Thank you for your corporation with these matters and please notify us in the event you have any questions that you may feel we could assist you with.

Sincerely,

Vernon L. Gainney, Supervisor
Pipeline Safety

VLG/sh

Enclosure



**OFFICE OF REGULATORY STAFF OF
SOUTH CAROLINA**

ADVISORY BULLETIN #: EGPS080501

Issue Date: September 1, 2005

49 CFR Reference(s): N/A

Subject: Potential safety hazards associated with certain residential meter set configurations.

Office of Regulatory Staff of South Carolina

Electric and Gas Regulation, Pipeline Safety

P. O. Box 11263

Columbia SC 29211

PIPELINE SAFETY ADVISORY BULLETIN

Advisory Bulletin #: EGPS080501

Date Issued: September 1, 2005

To: All Jurisdictional Gas and Hazardous Liquid System Operators in South Carolina.

Purpose:

The purpose of this Advisory Bulletin is to make Operators aware of potential safety hazards which are associated with certain residential meter set configurations. Specifically, meter set configurations in which the service regulator is situated directly above and in close proximity to the meter casing are the subject of this Advisory Bulletin. When these meter sets are located in a position where water spillage or rainwater runoff may come in contact with the meter, there could be a possibility of over-pressure downstream of the meter if the service regulator ices over during sub-

freezing temperatures. In the event of regulator vent freeze-up, it is possible that undue pressure could be placed on the home's piping system.

Background:

Following a recently completed investigation of a consumer complaint, the Office of Regulatory Staff became aware of this potential hazard which may exist on systems in South Carolina. In the investigated incident which took place in January, 2005, the meter set was located in a position where rainwater runoff fell on the meter and splash from the rainwater caused the service regulator vent to freeze up when temperatures fell below 32° F, thus rendering the regulator vent inoperable. This freeze-up of the regulator vent resulted in over-pressure on the customer piping and subsequent fire inside the house.

In June, 2005, the ORS conducted a survey of all gas operators in the state to determine 1) how many of these meter sets are in service, 2) how many of these are affected by water spillage or rainwater runoff onto the meter set, and 3) how many over-pressure problems related to freezing temperatures have occurred on these type meter sets. Survey reports indicate that approximately 108,000 of these meter sets are in service, with approximately 24,000 being affected by water spillage or rainwater runoff. Other than the aforementioned January 2005 incident, the survey of gas operators indicates no other reports of over-pressure problems occurring downstream of these subject meter sets that are related to freezing temperatures.

Advisory:

It is recommended that each Operator identify the location any of these herein described meter set configurations in use on their systems and be prepared to take appropriate action as may be deemed necessary. Actions could include but not be limited to reconfiguring these sets, relocating them, or installing "splash guards" in the regulator vents.

Issued in Columbia, SC, Tuesday, September 1, 2005.

Vernon L. Gainey, Pipeline Safety Supervisor

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EXECUTIVE DIRECTOR

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JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

VERNON L. GAINNEY, CPM
SUPERVISOR
PIPELINE SAFETY

June 21, 2005

To: All Gas System Operators

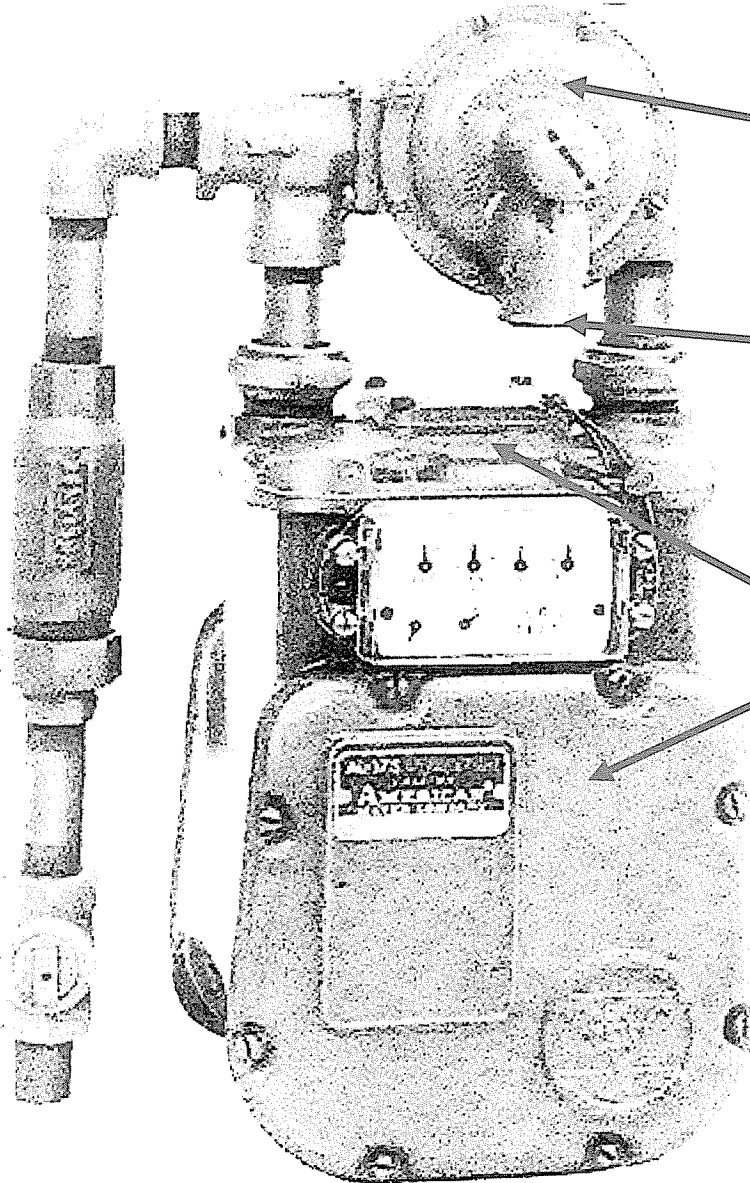
The Pipeline Safety Staff has recently been made aware that it is possible many Operators in South Carolina have residential meter sets configured in such a manner that the service regulator vents face downward just above the meter casing. (Please see attached for example.) The close proximity of the vents with the casing, coupled with them being installed below a roofline where the regulator vent may catch rainwater runoff poses a potential icing problem when temperatures fall below freezing. The freezing of the regulator vent generally results in a loss of gas flow to the customer. However, in some instances the regulator may become fixed in an open position, allowing gas to continue to flow when demand reduces, resulting in overpressure of the customer piping. This cumulates in the possibility of fire, and/or explosion in the customer's home.

We request that you provide a copy of a survey of your system showing how many of this type of meter set configurations are in service. Also, please show how many of these are located in a place where rainwater could spill directly onto the meter set. In addition, please indicate whether you have experienced overpressure problems associated with this type of configuration. We ask that you forward this information to our office within the next sixty (60) days. After reviewing the information provided to us, we will determine if any recommendations addressing safety concerns are warranted.

As always, thank you for your cooperation, and please feel free to contact this office with any questions you may have.

Sincerely,

Vernon L. Gainney, Supervisor
Pipeline Safety
Electric and Gas Regulation



Service regulator
installed directly
above the meter case.

Vent of the regulator
pointed at the meter
case, with very little
clearance and
susceptible to
accumulation of water.

Meter case.

OPERATOR SURVEY CONCERNING TYPE 12 METER SETS

NAME OF OPERATOR	TOTAL # OF METERS	LETTER SENT	REPLY RECEIVED	NUMBER OF TYPE 12 SETS	# AFFECTED BY WATER	# OF OVER PRESSURE EVENTS
Aiken HA	118	6/21/2005	8/17/2005	none	n/a	n/a
Ameresco, Inc.	none	6/21/2005	8/19/2005	none	n/a	n/a
BASF Corp.	none	6/21/2005	8/18/2005	none	n/a	n/a
Blue Flame Gas Co.	48	6/21/2005	7/21/2005	none	n/a	n/a
Charleston HA	28	6/21/2005	8/18/2005	none	n/a	n/a
Cherokee Co. Co-Gen	none	6/21/2005	8/18/2005	none	n/a	n/a
Chester Co. NGA	9,635	6/21/2005	8/19/2005	6000	300	none
City of Bamberg	1,610	6/21/2005	8/17/2005	none	n/a	n/a
City of Bennettsville	3,306	6/21/2005	8/25/2005	none	n/a	n/a
City of Blacksburg	737	6/21/2005	8/12/2005	none	n/a	n/a
City of Fountain Inn	9,635	6/21/2005	8/8/2005	3677	10	none
City of Laurens	7,344	6/21/2005	8/19/2005	none	n/a	n/a
City of Orangeburg	10,548	6/21/2005	8/18/2005	291	113	none
City of Union	7,141	6/21/2005	8/11/2005	none	n/a	n/a
Clinton Newberry NGA	15,323	6/21/2005	8/25/2005	13,430	2,094	none
Columbia HA	727	6/21/2005	7/20/2005	none	n/a	n/a
Dept. of Defense	none	6/21/2005	8/19/2005	none	n/a	n/a
Easley HA	none	6/21/2005	8/19/2005	none	n/a	n/a
Ferrell Gas Co.	none	6/21/2005	8/22/2005	none	n/a	n/a
Fort Hill NGA	43,847	6/21/2005	7/19/2005	30	n/a	n/a
Greenwood CPW	21,687	6/21/2005	8/25/2005	2	none	none
Greer CPW	17,284	6/21/2005	8/24/2005	2	none	none
Kimberly Clark Corp.	none	6/21/2005	8/18/2005	none	n/a	n/a
Lancaster Co. NGA	17,246	6/21/2005	8/23/2005	16,380	7,588	none
Laurens HA	122	6/21/2005	8/25/2005	none	n/a	n/a
Piedmont NG Co.	138,341	6/21/2005	8/15/2005	54,000	13,500	none
Santee Cooper	none	6/21/2005	7/12/2005	none	n/a	n/a
SCE&G	311,779	6/21/2005	8/16/2005	12,800	none reported	1
SCPC	none	6/21/2005	7/12/2005	none	n/a	n/a
SCRHA #1	1,342	6/21/2005	8/25/2005	none	n/a	n/a
SONAT	none	6/21/2005	7/12/2005	none	n/a	n/a
Town of Winsboro	2,846	6/21/2005	8/25/2005	1,420	50	none
York Co. NGA	45,866	6/21/2005	8/24/2005	none	n/a	n/a
TOTALS	666,560	—	—	108,032	23,655	1

SURVEY OF SOUTHERN REGION STATES CONCERNING RULE MAKING

NAME OF SOUTHERN REGION STATE	ANY LAW CONCERNING TYPE 12 METER SETS	ANY OVER PRESSURE PROBLEMS ON THESE SETS	OTHER COMMENTS
ALABAMA	No	None	None
ARKANSAS	No	None	None
FLORIDA LP	No	None	None
FLORIDA PSC	No	None	None
GEORGIA	No	Yes	There have been as may as one dozen (12) over pressure incidents in Georgia.
KENTUCKY	No	None	None
MISSISSIPPI	No	None	None
NORTH CAROLINA	No	None	None
PUERTO RICO	No	None	None
SOUTH CAROLINA	No	Yes	There has been 1 (one) over pressure incident in South Carolina.
TENNESSEE	No	None	None